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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 003129

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DEPARTMENT FOR EAP, P, EAP/BCLTV. HQ PACOM FOR FPA HUSO

E.O. 12958: DECL: 05/04/2015
TAGS: OVIP PGOV MASS MARR TH IRAO POL MIL BURMA
SUBJECT: PACOM MEETING WITH PM THAKSIN: IRAQ, F-16, CHINA, BURMA. VIOLENCE IN THE SOUTH

Classified By: Ambassador Ralph L. Boyce, Reason 1.4 (a and d)

(C) Summary: In a May 4 meeting with visiting PACOM Commander ADM William Fallon, PM Thaksin Shinawatra did not directly address a U.S. request for Thailand to send staff officers to the multinational headquarters in Iraq, but did suggest that Thailand might be able to provide additional support to Operation Iraqi Freedom (OIF) so long as that assistance could be labeled "humanitarian." Regarding Lockheed Martin's efforts to sell F-16 aircraft to Thailand, Thaksin recounted his efforts to have Sweden and Russia agree to enter into a barter arrangement involving Thai chicken in exchange for Saab Gripen or Sukhoi SU-30 fighters. He made it clear that he was inclined toward Russia's or Sweden's offer of a barter -- not counter trade -- deal, or "birds for birds.' Thaksin expressed gratitude for U.S. assistance during the tsunami crisis and was very supportive of the Cobra Gold exercise program. The Prime Minister was pleased that Iraq had chosen a new Cabinet and said that his recent trip to Jordan had convinced him that PM Adnan Badran was serious about fostering good governance in Iraq. Thailand's good relations with both Tokyo and Beijing, Thaksin was concerned about the Sino-Japanese rift and pledged to do what he could to reconcile the two sides. was pleased about Taiwan KMT leader Lien Chan's recent visit to Beijing, and was optimistic that tensions over the Taiwan Strait would ease. Thaksin said that Thailand was committed to promoting democratization and reconciliation among various factions in Burma. He seemed sure that Burma would eventually agree to give up its upcoming chair of ASEAN but suggested Rangoon needed a way to do so without appearing to cave in to outside pressure. Thaksin explained that his Government's problems in the southern part of the country were a domestic matter but expressed concern that teachers in Koranic schools had been distorting Islamic teachings to promote unrest. In dealing with the violence in the South, Thaksin was disappointed in Malaysia's lack of cooperation in arresting suspected terrorists who had entered Malaysia from Thailand. Thaksin seemed pleased that members of the National Reconciliation Commission were traveling to the southern provinces to assess the situation in person rather than only "reading critical reports in the Bangkok papers." Thaksin pledged to implement the Commission's recommendations and singled out the Commission head, former PM Anand Panyarachun, as a man to whom he would listen. END SUMMARY.

RELATIONS ARE GOOD -- THE TSUNAMI BROUGHT OUT OUR STRENGTHS

12. (C) PM Thaksin began the meeting by expressing approval that this year's Cobra Gold exercise, underway in Chiang Mai and elsewhere in the country, was focused on lessons learned from the relief effort after the December 26 tsunami. He thanked ADM Fallon for U.S. assistance during the crisis and said he was pleased Thailand was able to allow U.S. forces to use Utapao Royal Thai Naval Air Station as the hub for regional military relief efforts. Cobra Gold and similar exercises allowed U.S. and Thai forces to work together effectively, he said. Thaksin noted with approval the new, multinational flavor to Cobra Gold but stated that, to his mind, the most important part of the exercise was the combined U.S.-Thai cooperation. ADM Fallon agreed about the importance of the bilateral relationship, telling Thaksin that in his conversations with senior Thai military officials, he had pledged to work with them to upgrade facilities at Utapao and to enhance our ability to work together in the future. Fallon told Thaksin how reporters and others who attended the Cobra Gold opening ceremony in Chiang Mai on May 2 had expressed admiration for how well and how quickly the United States and Thailand were able to cooperate during the tsunami crisis.

IRAQ

13. (C) ADM Fallon thanked the Prime Minister for Thailand's assistance in Afghanistan and in OIF and inquired whether Thailand would be prepared to send staff officers to man the multinational headquarters as requested in a recent letter from CJCS Gen. Myers. Thaksin said he was pleased with recent positive moves in Iraq, noting the establishment of a new Cabinet. Without specifically addressing General Myers' letter, Thaksin highlighted the humanitarian nature of

Thailand's previous six-month rotations to Iraq and said that Thailand might be able to provide future assistance so long as it could be labeled as "humanitarian." Thaksin noted that some Thai MP's had tried to link the Muslim insurgency in southern Thailand with Thailand's OIF deployment but he dismissed such comments, saying that Thailand's commitment to OIF had not caused any undue problems for his Government.

THAKSIN'S TRIP TO JORDAN

14. (C) Continuing his assessment of the Middle East, Thaksin said that during his recent trip to Jordan, he had related well with PM Adnan Badran. Noting that Badran was a Sandhurst graduate while he was a graduate of the Thai National Police Academy, Thaksin said "we former cadets know how to talk to each other." Badran struck Thaksin as committed to helping to build a democratic Iraq.

CHINA

15. (C) While noting Bangkok's good relations with both Tokyo and Beijing, Thaksin expressed deep concern over the ongoing Sino-Japanese rift. Saying "this is not healthy for the region" twice, Thaksin suggested that all concerned countries should do their utmost to heal the relationship between the two countries and pledged to do his "modest best" to repair things. He predicted that cross-strait relations would improve, suggesting that Taiwan KMT leader Lien Chan's recent visit to Beijing had helped immensely as had Taiwan President Chen Shui-bian's expressed willingness to conduct talks with the PRC. Thaksin was dismissive of suggestions that Taiwan and the Mainland might someday come to blows, characterizing any separatist talk in Taiwan as designed for domestic consumption, and citing the PRC's paramount desire not to disrupt economic growth.

BURMA

16. (C) Explaining differences between U.S. and Thai approaches to Burma, Thaksin pointed to the 2,000 plus kilometer border Thailand shares with Burma. Thaksin claimed that the Burmese leadership was comfortable talking with him and that he always stressed the importance of freedom and democratization in talks with Rangoon. He said that the ruling State Peace and Development Council (SPDC) was "riding a tiger and afraid of being eaten" in dealing with Karen and other minority groups. Thaksin claimed that ASEAN is the only organization linking Burma to the outside world and that the SPDC cannot afford to lose that link. He expressed optimism that Burma would eventually agree to give up its upcoming chair of ASEAN but admitted it must find a way to do so that does not make it seem it is giving in to outside pressure. Thaksin was skeptical that Aung San Suu Kyi would be released from house arrest before a new Constitution comes into effect and the junta can demonstrate its ability to control the political process.

UNREST IN THE SOUTH

- 17. (C) Thaksin pointed to Koranic teachers in schools in the South who distort the Koran by persuading youths to rise up against the Government as the chief cause for unrest in that region. He stressed that the matter was a strictly domestic issue but noted problems with criminals crossing the border into Malaysia. He said that outward appearances of smooth relations between Thailand and Malaysia covered increasing tensions between the two countries due to Thailand's growing frustration over Malaysian unwillingness to arrest criminal suspects on their side of the border. Thaksin also noted the need to monitor the flow of funds from outside Thailand to Koranic schools and other institutions in the South. He suggested that he had evidence that militant groups were funded that way in the past.
- 18. (C) Thaksin told ADM Fallon that he was pleased that members of the National Reconciliation Commission were now traveling to the southern provinces to assess the situation in person. He claimed that earlier they only stayed in Bangkok and read press stories criticizing Thaksin's policies. "Such is life with a democratic free press," he sighed. Now that the Commission was working in earnest, he pledged to implement their recommendations. He also singled out Commission head, former PM Anand Panyarachun, as a man to whom he would listen.

F-16

19. (C) ADM Fallon noted the importance of Thailand procuring new weapons systems with an eye on interoperability with U.S. forces and suggested that F-16 would be a better choice for Thailand's planned new fighter purchase than the Saab Gripen or the Sukhoi SU-30. Thaksin told ADM Fallon that, during his meeting last year with the Swedish Prime Minister, he explained the glut of Thai chicken created in the wake of the avian flu crisis and asked whether Sweden might be willing to "barter trade things that fly -- Thai

chickens for Swedish airplanes" or "birds for birds," he joked. According to Thaksin, the Swedish PM agreed to explore this deal. Later, Thaksin said, he met with Russian President Putin who also agreed to explore swapping Thai chicken for SU-30s. Putin went on to say that he viewed the deal with Russia as better than the deal with Sweden. (Comment: Although not discussed, Thaksin was unaware that Lockheed Martin had offered a one hundred percent countertrade deal or other recent developments in the fighter negotiations. End Comment). He clarified that what he wanted in the fighter deal was "barter" rather than "offsets" or "countertrade" because of Thai concerns about their current account situation.

 $\underline{\mbox{\tt 1}}\mbox{\tt 10}\mbox{\tt $.$}$ (U) ADM Fallon has cleared this message. BOYCE